

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
<b>Caption in Compliance with D.N.J. LBR 9004-1(b)</b>	
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<i>Counsel to the Plan Administrator</i>	
In re:	Chapter 11
BED BATH & BEYOND INC., <i>et al.</i> , <sup>1</sup>	Case No. 23-13359 (VFP)
Debtors.	(Jointly Administered)

**PRELIMINARY OBJECTION OF THE PLAN ADMINISTRATOR TO MOTION BY  
CREDITOR F3 METALWORX, INC. FOR THE ALLOWANCE OF PAYMENT OF  
POST-PETITION STORAGE CHARGES OF \$23,437 THROUGH OCTOBER 2023 AS  
AN ADMINISTRATIVE EXPENSE AND FOR PAYMENT OF \$3,750 PER MONTH AS  
A CONTINUING ORDINARY COURSE ADMINISTRATIVE EXPENSE**

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<sup>1</sup> The last four digits of Debtor Bed Bath & Beyond Inc.'s tax identification number are 0488. A complete list of the Debtors in these chapter 11 cases and each such Debtor's tax identification number may be obtained on the website of the Debtor's proposed claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>. The location of Debtor Bed Bath & Beyond Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 650 Liberty Avenue, Union, New Jersey 07083.

Michael Goldberg, as plan administrator (the “Plan Administrator”),<sup>2</sup> files this preliminary objection and reservation of rights (this “Objection”) to the request for administrative claim of F3 Metalworx, Inc. (the “Claimant”) set forth in the *Notice of Motion by Creditor F3 Metalworx, Inc. for the Allowance and Payment of Post-Petition Storage Charges of \$23,437 through October 2023 as an Administrative Expense and for Payment of \$3,750 per Month as a Continuing Ordinary Course Administrative Expense* [Docket No. 2309] (the “Administrative Claim”)<sup>3</sup> and respectfully states as follows:

### **Background**

#### **A. General Background**

1. On April 23, 2023, each of the above-captioned debtors (the “Debtors”) filed a voluntary petition under chapter 11 of the Bankruptcy Code. During these chapter 11 cases, the Debtors continued to operate their businesses and manage their properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are procedurally consolidated and jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). No party has requested the appointment of a trustee or examiner in these chapter 11 cases.

2. On May 31, 2023, the Court entered the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, Including Requests for Payment under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date, Rejection Damages Bar Date, and Administrative Claims Bar Date,*

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<sup>2</sup> The Plan Administrator has been appointed pursuant to the Debtors’ Plan, as defined herein. The Plan Administrator is responsible for and has the authority to administer certain post-confirmation responsibilities under the Plan on behalf of the Wind-Down Debtors.

<sup>3</sup> A certificate of no objection has been filed with respect to the Administrative Claim, but no order has yet been entered.

(III) *Approving the Form, Manner, and Procedures for Filing Proofs of Claim*, (IV) *Approving Notice Thereof*, and (V) *Granting Related Relief* [Docket No. 584] (the “Bar Date Order”). The Bar Date Order required that (a) Administrative Expense Claims incurred through June 27, 2023 be filed by July 7 2023, (b) Administrative Expense Claims for subsequent months be filed on the 15<sup>th</sup> day of the month following the month in which the claim arose, and (c) any final Administrative Expense Claim (not covered by the foregoing) be filed fourteen days following the effective date of any confirmed plan (the “Administrative Expense Bar Dates”). See Bar Date Order at ¶ 6.

3. On September 11, 2023, the Debtors filed their *Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and its Debtor Affiliates* [Docket No. 2160] (the “Plan”).<sup>4</sup> On September 14, 2023, the Court entered an Order confirming the Plan (the “Confirmation Order”) [Docket No. 2172].

4. On September 29, 2023 (the “Effective Date”), the Debtors filed the *Notice of (I) Entry of the Order (A) Approving the Disclosure Statement on a Final Basis and (B) Confirming the Second Amended Joint Chapter 11 Plan of Bed Bath & Beyond Inc. and its Debtor Affiliates and (II) Occurrence of Effective Date* [Docket No. 2311]. Pursuant to the Plan, on the Effective Date, the Plan Administrator became the sole representative of the Wind-Down Debtors and assumed responsibility for purposes of resolving certain claims, performing claims reconciliation, and objecting to claims.

## **B. Background Related to Administrative Claim**

5. Claimant did not file an Administrative Expense Claim for amounts incurred through June 27, 2023 by July 7, 2023. Claimant did not file an Administrative Expense Claim

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<sup>4</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

for amounts incurred through July or August by August 15, 2023 or September 15, 2023, respectively.

6. Claimant filed the Administrative Claim covering the entire post-petition period (and “through October 2023”) on the Effective Date.

### **Objection**

7. The Plan Administrator was recently appointed and is getting up to speed in these cases and is in process of reviewing the merits of the pre- and post-Effective Date filed requests. Additional time is necessary for this process. The Plan Administrator intends to investigate the substantive merits of the Administrative Claim in short order.

8. Preliminarily, however, the Plan Administrator objects to the Administrative Claim to the extent it seeks administrative expense priority for amounts incurred prior to August 30, 2023, as any Administrative Expense Claims prior to such date were required to have been filed by the Administrative Bar Dates set forth above.

9. Further, the Plan Administrator objects to the Administrative Claim to the extent it seeks administrative expense priority for amounts incurred after the Effective Date of September 29, 2023. Claimant asserts that an ongoing charge of \$3,750 per month is due until such time as it receives a Rejection Notice. However, pursuant to the Plan, all executory contracts and unexpired leases are deemed rejected on the Effective Date (unless otherwise provided for, not the case here).

### **Reservation of Rights**

10. The Plan Administrator is in the preliminary stages of investigating the merits of the Administrative Claim, including whether the Debtors derived any benefit from the storage of goods between September 1, 2023 and the Effective Date, especially in light of the Debtors’

instruction to Claimant on August 3, 2023 that the “Company will not be accepting any of the shipments” and “[Claimant] may resell or recycle the products as they wish.” Administrative Claim at Paglia Decl., Exhibit F. The Plan Administrator reserves all rights to supplement this Objection or file further substantive or non-substantive objections based upon any such grounds, are fully reserved and preserved. The Plan Administrator also fully reserves the right to amend, modify and/or supplement this Objection, including, without limitation, to object to amended or newly-filed claims.

### **Conclusion**

For the foregoing reasons, the Plan Administrator respectfully requests that the Court adjourn the hearing on the Administrative Claim to December 12, 2023 at 10:00 a.m., and set a supplemental objection deadline of December 5, 2023 for the Plan Administrator to supplement this preliminary Objection.

Dated: October 19, 2023

/s/ Bradford J. Sandler

Robert J. Feinstein (admitted *pro hac vice*)

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